

WEEKLY HEALTH CARE REAL ESTATE BRIEFING: MEDICARE COVERAGE FOR MENTAL HEALTH | STATE PROPOSES FINES FOR EXCESSIVE HOSPITAL PRICING | SENIOR COMMUNITY RENTS SURGE

1. Kaiser Family Foundation released a report answering FAQs on **Medicare coverage for mental health and substance use disorder**. As providers look to expand their mental health care services, one persistent issue is cost and reimbursement. The FAQ outlines which services are covered by Medicare in the wake of the Consolidated Appropriations Act of 2023 and the 2023 Medicare Physician Fee Schedule Final Rule.
2. Republicans in the Indiana House of Representatives **proposed imposing fines on hospitals with “excessive prices.”** The bill would impose fines of up to 10% of the hospital’s patient revenue if the hospital’s average charges are more than 260% of what Medicare reimburses for a particular service. Indiana’s hospital facility fees are the 5th highest in the country and the state ranks 7th for hospital price disparity.
3. **Senior Housing News** released the top trends for 2023. The publication predicted: (1) a continued rise in the number of rental active adult communities; (2) care paradigms will increasingly be rooted in population health; and (3) there is and will be a vast need to serve the middle market in senior housing.
4. While many hospitals nationwide are struggling financially, the largest **Columbus, OH-based systems** remain financially healthy, bucking the national trend. The continued growth has been fueled by Central Ohio’s recent and projected population growth.
5. The New Republic published a piece on the **accelerating trend of hospitals closing their pediatric units** and the hardship this poses on patients and families. The piece puts much of the blame on hospital consolidations.
6. Many senior living communities' **rent surged in January** with residents across the country receiving notices of rate hikes. Grappling with significant expenses due to labor pressure, COVID-19 and inflationary impacts, many senior living providers have increased rents.
7. Skilled nursing transactions set a record in 2022 for the **highest number of transactions in a single year**, according to recent data. SNFs still only represented 41% of the total deals in a year that saw long-term care mergers and acquisitions increase by 17%. There were a total of 527 transactions in senior living in 2022, compared with 450 transactions in 2021.
8. **CVS Health has invested \$25 million in virtual mental health care provider** Array Behavioral Care, which provides telepsychiatry and virtual behavioral health care services nationwide in hospitals, community clinics, primary care offices and patient homes.
9. The CEO of behavioral health provider Acadia Healthcare **recently elaborated** on the company’s **ambitious 5-year growth plan**. Among the strategies are finding “strong, reputable partners” in new markets, including 100 metro areas that lack sufficient behavioral health services, enhancing ROI on existing infrastructure and partnering with REITs.
10. JLL recently published an article on the **key trends shaping the life sciences industry** in 2023, including M&A activity by big pharma, increased investment in manufacturing innovation, tenants returning to core clusters in established innovation markets and ESG goals.

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